



IT IS SO ORDERED.
Signed August 13, 2009

Arthur S. Weissbrodt
Arthur S. Weissbrodt
U.S. Bankruptcy Judge

1 CAMPEAU GOODSSELL SMITH, L.C.
2 SCOTT L. GOODSSELL, #122223
3 WILLIAM J. HEALY, #146158
4 440 N. 1st Street, Suite 100
5 San Jose, California 95112
6 Telephone: (408) 295-9555
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8 ATTORNEYS FOR Debtors

9 UNITED STATES BANKRUPTCY COURT
10 NORTHERN DISTRICT OF CALIFORNIA

11 IN RE:) Case No. 09-51900 ASW
12 BENYAM and PAULA R. MULUGETA,) CHAPTER 11
13 Debtors.)
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17 **ORDER GRANTING DEBTORS' MOTION TO SELL REAL PROPERTY ("Harrison")**
18 **FREE AND CLEAR OF LIENS**
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20 The Court, having reviewed and considered the Debtors' MOTION TO SELL FREE AND
21 CLEAR OF LIENS AND INTERESTS IN PERSONAL PROPERTY AND VALUE SECURED
22 CLAIMS ("Motion") and related pleadings; having conducted a hearing on July 1, 2009, with
23 Debtors BENYAM MULUGETA and PAULA R. MULUGETA ("Debtors") represented by
24 counsel, Debtors present, and other appearances as noted on the record; having found notice and
25 service to be proper and sufficient; and having found good cause does hereby grant the Motion and
26 therefore the Court orders and decrees that:

- 27 (1) the notice of the motion was proper and adequate given the circumstances;
28 (2) Debtors are authorized to sell real property commonly known as 2332 Harrison Street, Oakland,

ORDER GRANTING DEBTORS' MOTION TO SELL REAL PROPERTY ("Harrison") FREE AND CLEAR OF LIENS

1 CA (Assessor Parcel Number (A.P.N.) 010-0769-005-00 ("Merrit Hotel" or "The Property") free
2 and clear of liens pursuant to Bankruptcy Code 363 (b) and (f), Bankruptcy Code 506, 506 (d), and
3 Bankruptcy Rules 6004 and 3012 to Trading Spaces, LLC ("Buyer" or "Trading Spaces") for
4 \$7,000,000.00 pursuant to a Commercial Property Purchase Agreement And Joint Escrow
5 Instructions dated February 12, 2009 ("Purchase Agreement") with such liens to attach to all of the
6 net proceeds of the sale in order of recordation of their liens;
7 (3) this sale is the highest and best offer;
8 (4) Debtors are authorized to enter into the Purchase Agreement, if it is approved; and Debtors are
9 authorized to undertake such other actions as may be reasonably necessary to complete the sale;
10 (5) Trading Spaces, LLC is found to be a purchaser is in good faith and entitled to the protections of
11 Bankruptcy Code 363 (m);
12 (6) Debtors are authorized to pay from the proceeds and escrow all normal costs of sale, including
13 payment of a three and a quarter percent commission to the Buyer's broker Realty World-Viking in
14 accordance with the contract, but no commission is to be paid to Debtors'/sellers' broker without
15 further order of the court; pay from the proceeds and escrow the amounts owed to secured liens
16 which are not in dispute and Debtors shall have ten days from the close of escrow to provide written
17 notice of the disputed portions of such secured claims; and to file or record termination statements,
18 instruments of satisfaction, releases of liens and any other documents necessary for the purpose of
19 documenting the release of specified liens upon payment;
20 (7) the net sale proceeds are to be held by Debtor's counsel ("Trust Money") in a Debtor in
21 Possession ("DIP") account subject to those deeds of trusts and liens of record asserted against
22 Debtors, in favor of such claimants in order of recordation of their liens, subject to further order of
23 the Bankruptcy Court; and
24 (8) the bankruptcy court reserves jurisdiction to implement the sale, enforce the sale order, or
25 resolve any disputes with or related to the sale, including any disputed portions of such secured
26 claims upon motion of either the Debtors or such lien claimant.

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28 ¹Debtors and Debtors' counsel recognize Merritt is spelled incorrectly throughout, but has done so purposely to match the spelling contained in the Purchase Agreement.

ORDER GRANTING DEBTORS' MOTION TO SELL REAL PROPERTY ("Harrison") FREE AND CLEAR OF LIENS

1 Approved As To Form

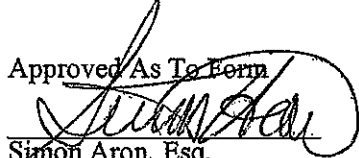
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John S. Wesolowski
Attorney for the U.S. Trustee
Dated: July , 2009

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5 Approved As To Form

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Simon Aron, Esq.
Wolf, Rifkin, Shapiro, Schulman & Rabkin, LLP
Attorney for Lone Oak Fund, LLC
Dated: July , 2009

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END OF ORDER

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ORDER GRANTING DEBTORS' MOTION TO SELL REAL PROPERTY ("Harrison") FREE AND CLEAR OF LIENS

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Debtors' Counsel

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United States Trustee

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